GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1206
ANSWERED ON:24.10.2008
DE REGULATION OF BANKING AND INSURANCE SECTORS
Acharia Shri Basudeb

Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government has received proposals and submissions opposing the decision to further deregulate/open up Banking and Insurance sector; and

(b) if so,reaction of the Government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI PAWAN KUMAR BANSAL)

(a) Government has been receiving representations both in favour and against further opening-up the banking and insurance sectors by increasing FDI limit,amending statutory provisions to remove cap on voting rights, etc.

(b) There is no proposal to increase FDI limit in the banking sector.However,a proposal to increase FDI limit in Indian Insurance Companies from 26% to 49% is under consideration of the Government.The proposal to amend the relevant provisions of the Banking Regulation Act,1949 to remove cap on voting rights is pending consideration/passage by the Parliament.